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SUBJECT: ETHIOPIA'S EMERGENCY FOOD NEEDS - A PERMANENT STATE

REF: ADDIS 1113

INTRODUCTION

1. (SBU) Ethiopia is in a state of chronic food insecurity. Climatic changes with the lack of rain have reduced annual harvests from one instead of three harvests in many areas of Ethiopia. Along with poor agricultural practices, Ethiopia faces another severe year of hunger with the government under reporting that 4.9 million people face severe food needs. USAID and the donor community believe the actual number is 6.6 million people (reftel) -- less than last year's severe drought-induced food needs but still millions more than the government's figure. The Ethiopian Government (GoE) is under-estimating the number of people facing emergency assistance needs, overestimating harvest yields, and not reporting full emergency food distribution figures. GoE food stocks in, and en route, to country could avoid a pipeline break, but the GoE is unlikely to use its own emergency food stocks, currently at around 178,000 metric tons (MT), until the donor community pledges food to replace what may be disbursed. Annual U.S. food donations far exceed the total amount of food donated by all other donors combined, yet such assistance is not reversing what has become a permanent state of chronic food shortages. Focusing U.S. development strategy on agricultural development, which will see a significant increase this year with a modest US\$ 20 million allotment, will be essential to reversing the trend. More important, greater GoE transparency, land reform, and better distribution approaches are critical in reaching their intended beneficiaries.

TRENDS ON THE GROUND

2. (U) On January 30, 2009, the GoE announced a humanitarian requirement for 591,000 MT of food assistance, worth US\$ 511 million, to respond to the emergency needs of 4.9 million people through June 2009.

3. (U) The first months were covered by US\$ 121 million in resources carried over from 2008, including US\$ 111 million in new USG contributions. Thus the starting balance of the appeal was US\$ 389 million.

4. (U) To date, donors collectively have provided US\$ 170 million towards that balance, which is just less than half of the total need. The United States provided 63 percent of the US\$ 170 million. Donors note a lack of confidence that food is reaching end beneficiaries as a major justification for not contributing.

5. (U) There is a remaining relief need of approximately 178,000 MT of food. The GoE currently has over 118,000 MT of food in its Strategic Food Reserve, but is unwilling to draw down from that unless/until donors pledge new resources to backfill the amount.

The GoE's Grain Trade Enterprise has over 260,000 MT of food scheduled to arrive in country over the coming six weeks, but the GoE is reserving that food to dump in urban markets to suppress urban food inflation.

¶6. (U) While the GoE reports that 99% and 91% of food allocations from February and March respectively have been dispatched to their final distribution points, to date WFP cannot confirm that more than 15% and 1% of these allocations, respectively, have actually reached end beneficiaries.

¶7. (SBU) The short belg rains, which normally contribute roughly 10-15% of Ethiopia's annual food output, have largely failed throughout the belg-dependent areas. While the GoE has begun assessing the belg performance -- dispatching teams from June 8 -- the State Minister for Agriculture has told donors that the GoE will stand by the figure of 4.9 million people in need through October ¶2009.

¶8. (U) WFP has roughly 11,000 MT of food sitting in Port Djibouti, but the GoE is only allocating four (4) trucks (accommodating a total of roughly 100 MT) per day to transport that food into Ethiopia.

¶9. (U) If the needs of 6.6 million people, as projected by USAID are realized, an additional 450,000 MT is needed for July thru October, and at the very least, if the 4.9 million people figure remains constant the need will be for an additional 333,000 MT.

ACTUAL NEEDS

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¶10. (SBU) Due to the lack of GoE reporting on emergency food distributions, we do not know how much food remains available or the magnitude of the actual shortfall. With the failure of the belg rains, we can safely assume that well over 4.9 million, and possibly as many as 6.6 million people are now at risk, and will remain at risk until the early "green maize" harvest in September. GoE food stocks in the Strategic Food Reserve and Grain Trade Enterprise are adequate to meet WFP's current declared shortfall, if the GoE were willing to use them for emergency relief. If the GoE is not willing to do so, only donor contributions to fill the existing shortfall would be sufficient to move the GoE to "lend" its food for relief purposes to fill the imminent pipeline break. The USG has already provided significant resources to the 2009 emergency appeal, and would request additional donors to contribute to the outstanding need.

THE LONG-TERM PICTURE

¶11. (SBU) We assess that with greatly improved agricultural techniques, and agricultural and economic reforms, Ethiopia can eventually meet most of its food needs. Thus, the critical nature of agricultural development assistance. Ethiopia's perennial emergency food dependence is, de facto, a permanent condition. The U.S. participates with eight other donors and the GoE in the Productive Safety Net Program (PSNP) which, coupled with other food security programs, intends to graduate 8 million people into food security by 2014. In addition to continuing support to the GoE's multi-donor safety-net program, the USG must decide among the following options to address remaining long-term food insecurity in Ethiopia:

A) The USG could continue to provide massive food aid, which is unsustainable, in meeting Ethiopia's permanent state of emergency food need each year,

B) The USG could decide to provide significantly greater assistance for sustainable agricultural productivity, and the flexibility in its usage to operate within the constraints, and meet the needs, of Ethiopia's specific environment, or

C) The USG could engage the GoE robustly to push for a shift in

economic and agricultural policies (regarding land tenure, agricultural technologies and practices, agricultural inputs, etc.) to increase domestic agricultural productivity.

Ultimately, only a mix of these three approaches will prove effective. As we prepare for senior level discussions between the U.S. and Ethiopia in the near future, we will need full interagency support on an approach to address what has become Ethiopia's permanent state of chronic food insecurity.

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